

Senate Engrossed

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 328

SENATE BILL 1515

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2905.02; AMENDING TITLE 41, CHAPTER 7, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1291.01; AMENDING SECTIONS 41-2031 AND 41-2032, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 14, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2033; AMENDING SECTIONS 42-5252 AND 46-207, ARIZONA REVISED STATUTES; REPEALING SECTION 46-252, ARIZONA REVISED STATUTES; AMENDING SECTIONS 46-731, 46-803, 46-805, ARIZONA REVISED STATUTES; RELATING TO HEALTH AND WELFARE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 11-292, Arizona Revised Statutes, is amended to read:

11-292. Medical care; definition

A. The board of supervisors, subject to the applicable provisions of title 42, chapter 17, articles 2 and 3, shall include in its annual budget an amount equal to fifty per cent of the amount budgeted by the county board of supervisors or the amount expended, whichever is less, for the hospitalization and medical care of the indigent sick pursuant to this article for fiscal year 1980-1981, except for Yuma and La Paz counties. The contribution amounts of those counties shall be equal to the amount Yuma county would have made pursuant to this subsection if a division had not occurred apportioned between the counties. The office of the auditor general shall determine the amount Yuma county would otherwise have included if a division had not occurred and shall then determine the contribution amounts of Yuma and La Paz counties based on the proportionate share of the estimated population in these counties as of July 1, 1982.

B. For fiscal year 1994-1995, and for each fiscal year thereafter, the state treasurer shall withhold an amount sufficient to meet the county portion of the nonfederal costs of providing long-term care system services, pursuant to title 36, chapter 29, article 2, excluding services to the developmentally disabled, from monies otherwise payable to the county under section 42-5029, subsection D, paragraph 2. This amount and the state portion of the nonfederal costs shall be specified in the annual appropriation for the maintenance and operation of the Arizona health care cost containment system. For fiscal years 1994-1995, 1995-1996 and 1996-1997, monies shall be withheld from each county based on the following percentages derived from a state auditor general's certified audit of fiscal year 1987-1988 county long-term care and home health care expenditures, except that amounts withheld shall be adjusted to reflect amounts paid by counties pursuant to section 36-2952:

1. Apache:	0.22%
2. Cochise:	2.49%
3. Coconino:	0.66%
4. Gila:	2.56%
5. Graham:	0.64%
6. Greenlee:	0.34%
7. La Paz:	0.34%
8. Maricopa:	56.55%
9. Mohave:	2.73%
10. Navajo:	0.91%
11. Pima:	20.55%

12. Pinal:	5.09%
13. Santa Cruz:	1.05%
14. Yavapai:	3.12%
15. Yuma:	2.75%

C. In each fiscal year, of the total amount that is specified in the annual appropriation as the nonfederal portion of the cost of providing long-term care services, excluding services to the developmentally disabled, and that represents an increase from the amount that was specified in the annual appropriation for the prior fiscal year, the state shall pay fifty per cent of the increase. The remaining nonfederal portion of the costs shall be apportioned among the counties according to the proportion that each county's net nonfederal expenditures for long-term care services, excluding services to the developmentally disabled, bears to the total nonfederal expenditure for all counties two fiscal years earlier, with the following adjustments in the following order:

1. If the resulting net county contribution when expressed as an imputed property tax rate per one hundred dollars of net assessed value exceeds ninety cents, the county's contribution shall be reduced so that the imputed property tax rate equals ninety cents and the difference shall be paid by the state.

2. Any county with a native American population that represents at least twenty per cent of the county's total population according to the most recent United States decennial census shall contribute an amount equal to the prior fiscal year's contribution plus fifty per cent of the difference between the prior year's contribution were it calculated using the percentage in subsection B of this section and the current year's contribution as if its share of the total nonfederal portion of the long-term care costs had been calculated using the percentage prescribed in subsection B of this section and the state shall pay any difference from the amount otherwise required by this subsection.

3. If, after making the adjustments in this subsection, a county would contribute more than if its contribution were calculated using the percentage prescribed in subsection B of this section multiplied by the total nonfederal costs of long-term care services, excluding services to the developmentally disabled, the county's contribution shall be reduced to the sum of its prior year's contribution plus fifty per cent of the difference between the prior year's contribution were it calculated using the percentage in subsection B of this section and the current year's contribution as if its share of the total nonfederal portion of long-term care costs had been calculated using the percentage prescribed in subsection B of this section and the state shall pay any difference from the amount otherwise required by this subsection.

D. The director of the Arizona health care cost containment system administration shall notify each county of the amount determined pursuant to subsection A of this section to be included in its annual budget no later than May 1 of each year.

1 E. If a county does not provide funding as specified in subsection A
2 of this section, the state treasurer shall subtract the amount owed to the
3 Arizona health care cost containment system fund by the county from any
4 payments required to be made by the state treasurer to that county pursuant
5 to section 42-5029, subsection D, paragraph 2, plus interest on that amount
6 pursuant to section 44-1201 retroactive to the first day the funding was due.
7 If the monies the state treasurer withholds are insufficient to meet that
8 county's funding requirement as specified in subsection A of this section,
9 the state treasurer shall withhold from any other monies payable to that
10 county from whatever state funding source is available an amount necessary to
11 fulfill that county's requirement. The state treasurer shall not withhold
12 distributions from the highway user revenue fund pursuant to title 28,
13 chapter 18, article 2.

14 F. Each month payment of an amount equal to one-twelfth of the total
15 amount determined pursuant to subsection A of this section shall be made to
16 the state treasurer. Beginning October 1, 1989, payment of this amount shall
17 be made to the state treasurer on or before the fifth day of each month.
18 Upon request from the director of the Arizona health care cost containment
19 system administration, the state treasurer shall require that up to three
20 months' payments be made in advance, if necessary.

21 G. The state treasurer shall deposit the amounts paid pursuant to
22 subsection F of this section and amounts withheld pursuant to subsection E of
23 this section in the Arizona health care cost containment system fund
24 established pursuant to section 36-2913.

25 H. If payments made pursuant to subsection F of this section exceed
26 the amount required to meet the costs incurred by the Arizona health care
27 cost containment system for the hospitalization and medical care of a person
28 who is defined as an eligible person pursuant to section 36-2901, paragraph
29 6, subdivision (a), the director of the Arizona health care cost containment
30 system administration may instruct the state treasurer either to reduce
31 remaining payments to be paid pursuant to this section by a specified amount
32 or to provide to the counties specified amounts from the Arizona health care
33 cost containment system fund.

34 I. The amount of the county contribution to the Arizona health care
35 cost containment system fund established in section 36-2913 shall not exceed
36 thirty-three per cent of the amount that the system administration expended
37 in the county for fiscal year 1983-1984. For the purposes of this
38 subsection, system administration expenditures in a county for fiscal year
39 1983-1984 are the total capitation and fee for service amounts paid by the
40 system administration to providers in a county before February 1, 1986 for
41 services rendered during fiscal year 1983-1984 to persons eligible for the
42 system.

43 J. The state treasurer shall deposit amounts withheld pursuant to
44 subsection E of this section in the Arizona health care cost containment
45 system fund established by section 36-2913.

1 K. The state treasurer shall deposit the monies withheld from the
2 counties and contributed by the state pursuant to subsection B of this
3 section in the long-term care system fund established by section 36-2913, in
4 twelve equal monthly installments. The monthly installments shall be
5 deposited in the fund by the state treasurer by the fourth working day of
6 each month.

7 L. By July 1 or within sixty days after enactment of the annual
8 appropriation for the maintenance and operation of the Arizona health care
9 cost containment system, whichever is later, and after consulting with the
10 joint legislative budget committee and the governor's office of strategic
11 planning and budgeting, the state treasurer shall notify each county of the
12 amount to be withheld pursuant to subsection B of this section.

13 M. If the monies deposited in the long-term care system fund pursuant
14 to subsection K of this section are insufficient to meet the funding
15 requirement as specified in the annual appropriation for the maintenance and
16 operation of the Arizona health care cost containment system pursuant to
17 subsection B of this section, the state treasurer shall withhold from any
18 other monies payable to that county from any available state funding source,
19 other than the highway user revenue fund, the amount required to fulfill
20 fifty per cent of the funding requirement and shall deposit the monies in the
21 long-term care system fund. The state shall pay the remaining fifty per cent
22 of the funding requirement.

23 N. If any monies in the funds for the purpose of title 36, chapter 29,
24 article 2 remain unexpended at the end of the fiscal year, the director of
25 the Arizona health care cost containment system administration shall specify
26 to the state treasurer the amount to be withdrawn from the long-term care
27 system fund. Of the amount specified, the state treasurer shall distribute
28 fifty per cent to the counties pursuant to subsection B or C of this section.
29 The remaining fifty per cent shall be distributed to the state.

30 O. The board of supervisors of a county that is a program contractor
31 pursuant to section 36-2940 shall include in its annual budget, subject to
32 title 42, chapter 17, articles 2 and 3, monies received from the Arizona
33 health care cost containment system fund and long-term care system fund for
34 the purposes of title 36, chapter 29, article 2.

35 P. Notwithstanding any law to the contrary, beginning in fiscal year
36 ~~2002-2003~~ 2005-2006 and in each fiscal year thereafter, the state treasurer
37 shall withhold a total of ~~five million~~ TWO MILLION THREE HUNDRED NINETY-FIVE
38 THOUSAND FOUR HUNDRED dollars for the county contribution for the
39 administrative costs of implementing sections 36-2901.01 and 36-2901.04
40 beginning with the second monthly distribution of transaction privilege tax
41 revenues otherwise distributable after subtracting any amounts withheld for
42 the county long-term care contribution. Beginning in fiscal year ~~2002-2003~~
43 2006-2007, the state treasurer shall adjust the amount withheld according to
44 the annual changes in the GDP price deflator and as calculated by the joint
45 legislative budget committee staff. Beginning in fiscal year ~~2003-2004~~

2006-2007, the joint legislative budget committee shall calculate an additional adjustment of the allocation required by this subsection based on changes in the population as reported by the department of economic security. For the purposes of this subsection "GDP price deflator" has the same meaning prescribed in section 41-563. Each county's annual contribution is as follows:

1. Apache, ~~1.342~~ 3.296 per cent.
2. Cochise, ~~2.503~~ 6.148 per cent.
3. Coconino, ~~2.469~~ 6.065 per cent.
4. Gila, ~~1.014~~ 2.491 per cent.
5. Graham, ~~0.721~~ 1.7110 per cent.
6. Greenlee, ~~0.185~~ 0.455 per cent.
7. La Paz, ~~0.384~~ 0.9430 per cent.
- ~~8. Maricopa, 59.289 per cent.~~
- ~~9.~~ 8. Mohave, ~~2.882~~ 7.079 per cent.
- ~~10.~~ 9. Navajo, ~~1.889~~ 4.640 per cent.
- ~~11.~~ 10. Pima, ~~17.167~~ 42.168 per cent.
- ~~12.~~ 11. Pinal, ~~3.359~~ 8.251 per cent.
- ~~13.~~ 12. Santa Cruz, ~~0.794~~ 1.950 per cent.
- ~~14.~~ 13. Yavapai, ~~3.173~~ 7.794 per cent.
- ~~15.~~ 14. Yuma, ~~2.829~~ 6.949 per cent.

Q. The state treasurer shall deposit the amounts paid pursuant to subsection P of this section in the budget neutrality compliance fund established by section 36-2928.

R. For the purposes of this section, "net assessed value" includes the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

Sec. 2. Title 36, chapter 29, article 1, Arizona Revised Statutes, is amended by adding section 36-2905.02, to read:

36-2905.02. Inpatient reimbursement; rural hospitals;
definition

A. IF MONIES ARE APPROPRIATED FOR RURAL HOSPITALS, THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION SHALL REQUEST THE CENTERS FOR MEDICARE AND MEDICAID SERVICES TO APPROVE FEDERAL MATCHING MEDICAID FUNDING FOR THE PURPOSES SPECIFIED IN THIS SECTION.

B. THE ADMINISTRATION SHALL DISTRIBUTE THE AVAILABLE MONIES TO INCREASE INPATIENT REIMBURSEMENT FOR QUALIFYING RURAL HOSPITALS. AT NO TIME SHALL THE REIMBURSEMENT EXCEED THE COST OF PROVIDING CARE. THE ADMINISTRATION MAY MAKE SUPPLEMENTAL PAYMENTS TO QUALIFYING RURAL HOSPITALS BASED ON UTILIZATION OR ADJUST TIER RATES, ESTABLISHED PURSUANT TO SECTION 36-2903.01, SUBSECTION H, FOR QUALIFYING RURAL HOSPITALS. NO ADJUSTMENTS TO INPATIENT REIMBURSEMENT UNDER SECTION 36-2903.01, SUBSECTION H TO HOSPITALS OTHER THAN RURAL HOSPITALS MAY BE MADE AS A RESULT OF THIS SECTION.

1 C. FOR THE PURPOSES OF THIS SECTION, "RURAL HOSPITAL" MEANS EITHER:
2 1. A HEALTH CARE INSTITUTION THAT IS LICENSED AS AN ACUTE CARE
3 HOSPITAL, THAT HAS ONE HUNDRED OR FEWER BEDS AND THAT IS LOCATED IN A COUNTY
4 WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND PERSONS.

5 2. A HEALTH CARE INSTITUTION THAT IS LICENSED AS A CRITICAL ACCESS
6 HOSPITAL.

7 Sec. 3. Title 41, chapter 7, article 12, Arizona Revised Statutes, is
8 amended by adding section 41-1291.01, to read:

9 41-1291.01. Joint legislative committee on adoption promotion

10 A. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION IS
11 ESTABLISHED CONSISTING OF THE FOLLOWING MEMBERS:

12 1. TWO MEMBERS OF THE SENATE WHO ARE FROM DIFFERENT POLITICAL PARTIES
13 AND WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE. THESE MEMBERS SHALL
14 SERVE AS NONVOTING ADVISORY MEMBERS. THE PRESIDENT OF THE SENATE SHALL
15 SELECT ONE OF THESE MEMBERS TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

16 2. TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE FROM DIFFERENT
17 POLITICAL PARTIES AND WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF
18 REPRESENTATIVES. THESE MEMBERS SHALL SERVE AS NONVOTING ADVISORY MEMBERS.
19 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL SELECT ONE OF THESE MEMBERS
20 TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

21 3. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY OR THE
22 DIRECTOR'S DESIGNEE.

23 4. ONE MEMBER OF A MARKETING FIRM WHO IS APPOINTED BY THE SPEAKER OF
24 THE HOUSE OF REPRESENTATIVES.

25 5. ONE FOSTER PARENT WHO IS IN THE PROCESS, OR HAS ALREADY COMPLETED,
26 THE PROCESS OF ADOPTING A FOSTER CHILD THROUGH THE DEPARTMENT OF ECONOMIC
27 SECURITY AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

28 6. A REPRESENTATIVE OF A FAITH BASED ORGANIZATION THAT HAS A MISSION
29 STATEMENT THAT INCLUDES PLACING FOSTER CHILDREN INTO ADOPTIVE HOMES WHO IS
30 APPOINTED BY THE PRESIDENT OF THE SENATE.

31 7. AN ATTORNEY WHO IS LICENSED TO PRACTICE LAW IN THIS STATE, WHO
32 SPECIALIZES IN ADOPTION LAW AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE
33 OF REPRESENTATIVES.

34 8. A MEMBER OF THE FOSTER CARE REVIEW BOARD ESTABLISHED BY SECTION
35 8-515.04 WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

36 9. A COURT APPOINTED SPECIAL ADVOCATE PURSUANT TO SECTION 8-523 WHO IS
37 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

38 10. TWO EXPERTS IN THE FIELD OF ADOPTION WHO ALSO SPECIALIZE IN THE
39 PLACEMENT OF FOSTER CHILDREN INTO ADOPTIVE HOMES, ONE OF WHOM IS APPOINTED BY
40 THE PRESIDENT OF THE SENATE AND ONE OF WHOM IS APPOINTED BY THE SPEAKER OF
41 THE HOUSE OF REPRESENTATIVES.

42 B. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION SHALL:

43 1. REVIEW WAYS THIS STATE CURRENTLY USES MONIES TO PROMOTE THE
44 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.

1 2. EXAMINE THE PRACTICES AND OUTREACH EFFORTS THIS STATE HAS UNDERGONE
2 IN THE PAST AND MAKE RECOMMENDATIONS TO IMPROVE THEIR EFFECTIVENESS.

3 3. REVIEW ADOPTION PROCESSES IN ORDER TO IDENTIFY OBSTACLES.

4 4. PROVIDE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND
5 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS THIS STATE MAY PROMOTE THE
6 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.

7 5. MAKE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND TO
8 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS TO SPEND THE ANNUAL FEDERAL
9 TEMPORARY ASSISTANCE TO NEEDY FAMILIES MONIES THAT ARE DESIGNATED FOR
10 OUTREACH FOR PROSPECTIVE ADOPTION OF FOSTER CHILDREN.

11 C. THE DEPARTMENT OF ECONOMIC SECURITY SHALL PROVIDE STAFF SUPPORT FOR
12 THIS COMMITTEE.

13 Sec. 4. Section 41-2031, Arizona Revised Statutes, is amended to read:

14 41-2031. Marriage and communication skills commission;
15 membership; duties; staff; definition

16 A. The marriage and communication skills commission is established
17 consisting of the following members who serve at the pleasure of the
18 appointing person:

19 1. Two members of the senate who are from different political parties
20 and who are appointed by the president of the senate. These members serve as
21 advisory members. The president of the senate shall select one member to
22 cochair the commission.

23 2. Two members of the house of representatives who are from different
24 political parties and who are appointed by the speaker of the house of
25 representatives. These members serve as advisory members. The speaker of
26 the house of representatives shall select one member to cochair the
27 commission.

28 3. The governor or the governor's designee.

29 4. The director of the department of economic security or the
30 director's designee.

31 5. One member of the news media who is appointed by the speaker of the
32 house of representatives.

33 6. An expert in the field of marriage and family education and
34 counseling who is licensed to practice medicine or psychology in this state,
35 who specializes in marriage counseling and who is appointed by the president
36 of the senate.

37 7. An attorney who is licensed to practice law in this state, who
38 specializes in family law related education and who is appointed by the
39 governor.

40 B. The marriage and communication skills commission shall:

41 1. Review plans submitted to the department by the applicant
42 community-based organizations for participation in the marriage and
43 communication skills program and shall recommend community-based
44 organizations that are eligible to receive funding pursuant to section
45 41-2032.

1 2. Review renewal applications from participating community-based
2 organizations and make recommendations to the department.

3 3. Develop, UPDATE and distribute free of charge to marriage license
4 applicants a handbook that includes information about the importance of
5 communication, shared parental responsibility for children, child support
6 responsibilities, alimony, domestic violence, child abuse and neglect, court
7 process for divorce, community resources for parents who are divorced or
8 separated, community resources for children of parents who are divorced or
9 separated and marriage education courses that are available in each county.

10 4. Evaluate the program and beginning on November 1, 2001 report
11 annually by November to the governor, the president of the senate, the
12 speaker of the house of representatives and the joint legislative audit
13 committee. The commission shall provide a copy of the report to the
14 secretary of state and the ~~department of~~ ARIZONA STATE library, archives and
15 public records.

16 5. Recommend qualifying criteria for ~~married or cohabitating parents~~
17 PERSONS who apply to the department of economic security for a voucher to
18 attend a marriage skills training course.

19 C. The department of economic security shall provide staff and support
20 services to the commission.

21 D. For purposes of this section, "advisory member" means a member who
22 advises the commission but who is not eligible to vote and is not a member
23 for the purposes of determining a quorum.

24 Sec. 5. Section 41-2032, Arizona Revised Statutes, is amended to read:
25 41-2032. Community-based marriage and communication skills

26 program; fund; program termination

27 A. A community-based organization may apply to participate or may
28 complete an application to continue in the marriage and communication program
29 as provided in this section for any fiscal year by submitting by April 15 a
30 program proposal or an application to continue the program to the department.
31 The department shall approve applicants after reviewing recommendations made
32 by the marriage and communication skills commission established by section
33 41-2031. New applicants are restricted to unencumbered monies that have been
34 appropriated in previous fiscal years or monies appropriated to expand the
35 program.

36 B. A program proposal shall contain:

37 1. A plan for implementing a marriage and communication skills program
38 or a plan that demonstrates the existence of a marriage and communication
39 skills program.

40 2. A plan to adopt a marriage and communication skills curriculum that
41 emphasizes relationship skills, including communication and negotiation
42 skills that are necessary to resolve common relationship problems.

43 3. A description of any model curricula that the community-based
44 organization plans to use to provide marriage and communication skills. Any

1 model curricula used by a community-based organization pursuant to this
2 section shall not discuss or encourage unlawful behavior.

3 4. A plan to incorporate discussions of family law and domestic
4 violence issues into the curriculum and marriage license options, including
5 covenant marriage options.

6 C. A community-based marriage and communication skills program fund is
7 established consisting of legislative appropriations. The department of
8 economic security shall administer the fund and not more than five per cent
9 shall be used for administrative costs. The department of economic security
10 shall distribute monies to the community-based organizations whose plans have
11 been recommended by the marriage and ~~parenting~~ COMMUNICATION skills
12 commission. Monies in the fund are exempt from the provisions of section
13 35-190 relating to the lapsing of appropriations and are continuously
14 appropriated.

15 D. Community-based organizations shall spend monies received under the
16 program to implement approved plans.

17 E. The program established by this article ends on ~~July 1, 2005~~
18 SEPTEMBER 1, 2009 pursuant to section 41-3102.

19 Sec. 6. Title 41, chapter 14, article 6, Arizona Revised Statutes, is
20 amended by adding section 41-2033, to read:

21 41-2033. Community based relationship skills high school pilot
22 program; program termination

23 A. SCHOOL DISTRICTS MAY APPLY TO PARTICIPATE OR MAY COMPLETE AN
24 APPLICATION TO CONTINUE IN THE COMMUNITY BASED RELATIONSHIP SKILLS HIGH
25 SCHOOL PILOT PROGRAM AS PROVIDED IN THIS SECTION FOR ANY FISCAL YEAR BY
26 SUBMITTING BY APRIL 15 A PROGRAM PROPOSAL OR AN APPLICATION TO CONTINUE THE
27 PROGRAM TO THE MARRIAGE AND COMMUNICATION SKILLS COMMISSION ESTABLISHED BY
28 SECTION 41-2031. THE MARRIAGE AND COMMUNICATION SKILLS COMMISSION SHALL
29 SUBMIT THE APPROVED APPLICATIONS TO THE DEPARTMENT. THE DEPARTMENT SHALL
30 APPROVE APPLICATIONS SUBMITTED BY THE MARRIAGE AND COMMUNICATION SKILLS
31 COMMISSION ESTABLISHED BY SECTION 41-2031. NEW APPLICANTS ARE RESTRICTED TO
32 UNENCUMBERED MONIES THAT HAVE BEEN APPROPRIATED IN PREVIOUS FISCAL YEARS OR
33 MONIES APPROPRIATED TO EXPAND THE PROGRAM.

34 B. A PROGRAM PROPOSAL SHALL CONTAIN:

35 1. A PLAN FOR IMPLEMENTING A RELATIONSHIP SKILLS PROGRAM OR A PLAN
36 THAT DEMONSTRATES THE EXISTENCE OF A RELATIONSHIP SKILLS PROGRAM.

37 2. A PLAN TO ADOPT A RELATIONSHIP SKILLS CURRICULUM THAT EMPHASIZES
38 RELATIONSHIP SKILLS, INCLUDING COMMUNICATION AND NEGOTIATION SKILLS, DOMESTIC
39 VIOLENCE PREVENTION AND MARRIAGE PREPARATION.

40 3. A DESCRIPTION OF ANY MODEL CURRICULA THAT THE SCHOOL DISTRICT PLANS
41 TO PROVIDE RELATIONSHIP SKILLS. A CURRICULUM SHALL NOT PROVIDE INFORMATION
42 FOR OR PROMOTE MARRIAGES THAT VIOLATE SECTION 25-101.

43 D. SCHOOL DISTRICTS SHALL SPEND MONIES RECEIVED UNDER THIS PROGRAM TO
44 IMPLEMENT THE APPROVED PLANS.

1 E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON SEPTEMBER 1, 2009,
2 PURSUANT TO SECTION 41-3102.

3 Sec. 7. Section 42-5252, Arizona Revised Statutes, is amended to read:
4 42-5252. Levy of tax

5 A. A tax is levied on every provider in an amount as follows:

6 1. For the fiscal years beginning from and after June 30, 2001 and
7 ending before July 1, 2006, thirty-seven cents per month for each activated
8 wire and wireless service account for the purpose of financing emergency
9 telecommunication services.

10 2. For fiscal year 2006-2007, twenty-eight cents per month for each
11 activated wire and wireless service account for the purpose of financing
12 emergency telecommunication services.

13 3. For the fiscal years beginning from and after June 30, 2007, twenty
14 cents per month for each activated wire and wireless service account for the
15 purpose of financing emergency telecommunication services.

16 4. 0.68 per cent of the provider's gross proceeds of sales or gross
17 income derived from the business of providing exchange access services for
18 the purpose of financing telecommunication devices for the deaf and the
19 severely hearing and speech impaired under the program established pursuant
20 to section 36-1947.

21 5. ~~0.18~~ 0.25 per cent of the provider's gross proceeds of sales or
22 gross income derived from the business of providing exchange access services
23 for the purpose of financing the Arizona poison control system. These monies
24 shall be deposited in the poison control fund administered by the department
25 of health services and are subject to legislative appropriation.

26 6. ~~0.23~~ 0.16 per cent of the provider's gross proceeds of sales or
27 gross income derived from the business of providing exchange access services
28 for the purpose of financing the operating expenses of the Arizona state
29 schools for the deaf and the blind pursuant to section 15-1306.

30 7. 0.01 per cent of the provider's gross proceeds of sales or gross
31 income derived from the business of providing exchange access services for
32 the purpose of financing the teratogen information program at the university
33 of Arizona. These monies shall be deposited in the teratogen information
34 program fund administered by the university of Arizona health sciences
35 center.

36 B. Each provider shall state on the invoice to customers a separate
37 line item stating the amount of tax levied pursuant to subsection A of this
38 section.

39 C. Unless the context otherwise requires, article 1 of this chapter
40 governs the administration of the tax imposed under this section.

41 Sec. 8. Section 46-207, Arizona Revised Statutes, is amended to read:

42 46-207. Grant plus income; uniform assistance plan; amount of
43 assistance

44 A. In no event shall assistance paid any recipient under this title be
45 an amount which, when added to income from all other sources, causes the

1 total of income and grant to exceed the need of the recipient under uniform
2 assistance plans for each program as determined by the state department,
3 except that ~~the provisions of this subsection shall not apply to the optional~~
4 ~~state supplemental payments program authorized in section 46-252 or temporary~~
5 assistance for needy families prescribed in section 46-292.

6 B. If the total monies available for payment of assistance grants are
7 not sufficient to meet the maximum amount for which each applicant or
8 recipient is eligible by law, the department shall notify the joint
9 legislative budget committee of the insufficiency of monies and shall make
10 recommendations on how to overcome the insufficiency. The department shall
11 not recommend reductions of an equal amount from every grant in each category
12 of assistance, but shall take into consideration the needs of the applicants
13 or recipients, and shall recommend the reductions necessary by specifying the
14 percentage of budgeted needs which may be met within the maximums established
15 in accordance with subsection A of this section. The department shall make
16 the adjustments determined by the joint legislative budget committee.

17 C. In determining the amount of assistance which a recipient or
18 applicant may receive under this title, the department shall include all
19 income and resources from every source of the person claiming such aid,
20 except that which is required to be disregarded as defined in department rule
21 or by other provisions of this title, and shall consider and take into
22 account earning capacity, living conditions and all facts and circumstances
23 surrounding such person.

24 D. For assistance granted pursuant to section 46-292, the department
25 shall include a shelter cost factor. For purposes of determining assistance
26 payments with this shelter cost factor, the department shall reduce the
27 federal poverty level used in its calculation of payments by thirty-seven per
28 cent if the person is not paying, or is not obligated to pay, shelter costs
29 on his place of residence.

30 Sec. 9. Repeal

31 Section 46-252, Arizona Revised Statutes, is repealed.

32 Sec. 10. Section 46-731, Arizona Revised Statutes, is amended to read:

33 46-731. Utility assistance fund; purposes; administration;
34 nonreversion; reimbursement for administrative costs;
35 definitions

36 A. A utility assistance fund is established to provide eligible
37 recipients with assistance in making utility deposits and owner repairs or
38 replacement of utility related appliances or systems. The department shall
39 administer the fund. ~~Monies in the utility assistance fund shall not exceed~~
40 ~~one million dollars. Any amount in excess of one million dollars shall be~~
41 ~~deposited in the state general fund.~~ Eligible recipients are individuals who
42 are in crisis situations requiring utility repair, deposit assistance or
43 replacement of utility appliances or systems, who have a household income at
44 or below one hundred twenty-five per cent of the poverty level or who are
45 sixty years of age or older or handicapped and who have a household income at

1 or below one hundred fifty per cent of the poverty level. The need for
2 replacement of utility related appliances or systems shall be related to a
3 documented crisis situation. Replacement of utility related appliances is
4 limited to situations in which repair costs exceed replacement cost or an
5 appliance is found to be inoperable with repairs. For the purposes of this
6 subsection, the poverty level is as determined by the United States office of
7 management and budget and reported in the federal register.

8 B. A deposit, including any interest on the deposit, that is made by a
9 subscriber with a utility to secure payment or any amount that is paid in
10 advance for utility services to be furnished, less any lawful deductions or
11 any amount held by a utility that the utility has been ordered to refund by a
12 court or administrative agency, and that remains unclaimed by the subscriber
13 for more than two years after the termination of the services for which the
14 deposit or advance payment was made, or for more than two years after the
15 refund becomes payable and distribution occurs pursuant to the final order of
16 the court or administrative agency that has jurisdiction to establish the
17 terms and conditions of the refund, is presumed abandoned and shall be
18 transmitted annually to the department of revenue for deposit in the utility
19 assistance fund. Any utility that delivers these refund payments to the
20 department of revenue in good faith is relieved of all liability to the
21 extent of any refund payment delivered for any claim then existing or that
22 thereafter may arise or be made in respect to the property. This subsection
23 does not apply to any refund subject to section 44-302, subsection A,
24 paragraph 11 or to any refund that the court or agency order provides will be
25 held by a person other than the utility.

26 C. The director shall provide the use of the utility assistance fund
27 monies to designated community action or other agencies currently providing
28 energy assistance that in the judgment of the director offer assistance
29 services to individuals who are eligible under subsection A of this section
30 to receive assistance under this article. The utility assistance fund monies
31 shall be coordinated with all other state and federal energy assistance
32 programs. An amount of not more than ten per cent of the fund monies may be
33 designated for sewer and water system repairs. The director shall not
34 disburse an amount of more than thirty-five per cent of all monies to the
35 agencies during any quarter.

36 D. The agencies selected by the director shall disburse monies for
37 payment of utility deposits by checks payable to the utility. These payments
38 may be made in a batch process OR TRANSMITTED ELECTRONICALLY. The agencies
39 selected by the director shall disburse monies for the payment of owner
40 utility repairs and replacements by checks payable to the repairer or
41 replacement entity on behalf of the client on satisfactory completion of the
42 work. The client shall indicate in writing that the repairs and replacements
43 have been completed before payment is made.

44 E. The department of revenue shall annually report to the department
45 of economic security the amounts the utility assistance fund receives from

1 each utility that requires a fee to be deposited in order to receive its
2 services. The department of economic security shall report these amounts to
3 the agencies.

4 F. Refunds by the utilities for deposits made by the utility
5 assistance fund shall be transmitted to the department of revenue for deposit
6 in the fund. These refunds are subject to the established tariffs, rules and
7 procedures of the utilities.

8 G. The utilities, the department and the designated community action
9 or other agencies currently providing energy assistance shall inform the
10 public of the utility assistance fund.

11 H. ~~Except as provided in subsection A of this section,~~ Monies in the
12 utility assistance fund do not revert to the state general fund.

13 I. An amount of not more than two per cent of the utility assistance
14 fund monies, NOT TO EXCEED TWENTY THOUSAND DOLLARS IN ANY FISCAL YEAR, may be
15 used by the department and an amount of not more than eight per cent of the
16 fund monies, NOT TO EXCEED EIGHTY THOUSAND DOLLARS IN ANY FISCAL YEAR, may be
17 used by the agencies to reimburse them for their administrative costs in
18 providing services under this article.

19 J. MONIES THAT ARE DEPOSITED IN THE UTILITY ASSISTANCE FUND PURSUANT
20 TO SUBSECTION B OF THIS SECTION SHALL BE USED ONLY FOR THE PURPOSES OF THIS
21 SECTION AND SHALL NOT BE TRANSFERRED TO ANOTHER FUND FOR ANY OTHER PURPOSE.

22 K. For the purposes of this section:

23 1. "Crisis situations" includes a substantial loss or reduction of
24 income, unexpected emergency expenses, a health related emergency or no
25 income in the household. The director may adopt rules that set forth other
26 crisis situations.

27 2. "Utility" means a person that, for public use, transmits, sells,
28 delivers or furnishes electricity, water, gas, sewer or telecommunications
29 services.

30 Sec. 11. Section 46-803, Arizona Revised Statutes, is amended to read:
31 46-803. Eligibility for child care assistance

32 A. The department shall provide child care assistance to eligible
33 families who are attempting to achieve independence from the cash assistance
34 program and who need child care assistance in support of and as specified in
35 their personal responsibility agreement pursuant to chapters 1 and 2 of this
36 title.

37 B. The department shall provide child care assistance to eligible
38 families who are transitioning off of cash assistance due to increased
39 earnings or child support income in order to accept or maintain
40 employment. Eligible families must request this assistance within six months
41 after the cash assistance case closure. Child care assistance may be
42 provided for up to twenty-four months after the case closure and shall cease
43 whenever the family income exceeds one hundred sixty-five per cent of the
44 federal poverty level.

1 C. The department shall provide child care assistance to eligible
2 families who are diverted from cash assistance pursuant to section 46-298 in
3 order to obtain or maintain employment. Child care assistance may be
4 provided for up to twenty-four months after the case closure and shall cease
5 whenever the family income exceeds one hundred sixty-five per cent of the
6 federal poverty level.

7 D. The department may provide child care assistance to support
8 eligible families with incomes of one hundred sixty-five per cent or less of
9 the federal poverty level to accept or maintain employment. Priority for
10 this child care assistance shall be given to families with incomes of one
11 hundred per cent or less of the federal poverty level.

12 E. The department may provide child care assistance to families
13 referred by child protective services and to children in foster care pursuant
14 to title 8, chapter 5 to support child protection.

15 F. The department may provide child care assistance to special
16 circumstance families whose incomes are one hundred sixty-five per cent or
17 less of the federal poverty level and who are unable to provide child care
18 for a portion of a twenty-four hour day due to a crisis situation of domestic
19 violence or homelessness, or a physical, mental, emotional or medical
20 condition, participation in a drug treatment or drug rehabilitation program
21 or court ordered community service. Priority for this child care assistance
22 shall be given to families with incomes of one hundred per cent or less of
23 the federal poverty level.

24 G. In lieu of the employment activity required in subsection B, C or D
25 of this section, the department may allow eligible families with teenaged
26 custodial parents under twenty years of age to complete a high school diploma
27 or its equivalent or engage in remedial education activities reasonably
28 related to employment goals.

29 H. The department may provide supplemental child care assistance for
30 department approved education and training activities if the eligible parent,
31 legal guardian or caretaker relative is working at least a monthly average of
32 twenty hours per week and this education and training are reasonably related
33 to employment goals. The eligible parent, legal guardian or caretaker
34 relative must demonstrate satisfactory progress in the education or training
35 activity.

36 I. Beginning March 12, 2003, the department shall establish waiting
37 lists for child care assistance and prioritize child care assistance for
38 different eligibility categories in order to manage within appropriated and
39 available monies. PRIORITY OF CHILDREN ON THE WAITING LIST SHALL START WITH
40 THOSE FAMILIES AT ONE HUNDRED PER CENT OF THE FEDERAL POVERTY LEVEL AND
41 CONTINUE WITH EACH SUCCESSIVE TEN PER CENT INCREASE IN THE FEDERAL POVERTY
42 LEVEL UNTIL THE MAXIMUM ALLOWABLE FEDERAL POVERTY LEVEL OF ONE HUNDRED
43 SIXTY-FIVE PER CENT. PRIORITY SHALL BE GIVEN REGARDLESS OF TIME SPENT ON THE
44 WAITING LIST.

1 J. The department shall establish criteria for denying, reducing or
2 terminating child care assistance that include:

3 1. Whether there is a parent, legal guardian or caretaker relative
4 available to care for the child.

5 2. Financial or programmatic eligibility changes or ineligibility.

6 3. Failure to cooperate with the requirements of the department to
7 determine or redetermine eligibility.

8 4. Hours of child care need that fall within the child's compulsory
9 academic school hours.

10 5. Reasonably accessible and available publicly funded early childhood
11 education programs.

12 6. Whether an otherwise eligible family has been sanctioned and cash
13 assistance has been terminated pursuant to chapter 2 of this title.

14 7. Other circumstances of a similar nature.

15 8. Whether sufficient monies exist for the assistance.

16 K. FAMILIES RECEIVING CHILD CARE ASSISTANCE UNDER SUBSECTION D OR F OF
17 THIS SECTION ARE ALSO SUBJECT TO THE FOLLOWING REQUIREMENTS FOR SUCH CHILD
18 CARE ASSISTANCE:

19 1. EACH CHILD IS LIMITED TO NO MORE THAN SIXTY CUMULATIVE MONTHS OF
20 CHILD CARE ASSISTANCE. THE DEPARTMENT MAY PROVIDE AN EXTENSION IF THE FAMILY
21 CAN PROVE THAT THE FAMILY IS MAKING EFFORTS TO IMPROVE SKILLS AND MOVE
22 TOWARDS SELF-SUFFICIENCY.

23 2. FAMILIES ARE LIMITED TO NO MORE THAN SIX CHILDREN RECEIVING CHILD
24 CARE ASSISTANCE.

25 3. COPAYMENTS SHALL BE IMPOSED FOR ALL CHILDREN RECEIVING CHILD CARE
26 ASSISTANCE. COPAYMENTS FOR EACH CHILD MAY BE HIGHER FOR THE FIRST CHILD IN
27 CHILD CARE THAN FOR ADDITIONAL CHILDREN IN CHILD CARE.

28 ~~K.~~ L. The department shall review each case at least once a year to
29 evaluate eligibility for child care assistance.

30 ~~L.~~ M. Notwithstanding section 35-173, monies appropriated for the
31 purposes of this section shall not be used for any other purpose without the
32 approval of the joint legislative budget committee.

33 N. THE DEPARTMENT SHALL REFER ALL CHILD CARE SUBSIDY RECIPIENTS TO
34 CHILD SUPPORT ENFORCEMENT AND TO LOCAL WORKFORCE SERVICES AND PROVIDE
35 INFORMATION ON THE EARNED INCOME TAX CREDIT.

36 Sec. 12. Section 46-805, Arizona Revised Statutes, is amended to read:
37 46-805. Child care assistance; rates

38 A. The department shall establish payment rates for child care
39 assistance. Payment rates shall provide for equal access for eligible
40 families to comparable child care services provided to families who are not
41 eligible to receive child care assistance.

42 B. Beginning on July 1, 1998, payment rates shall be identical in form
43 for all child care assistance.

44 C. The department may pay different levels of child care assistance
45 according to the category of child care provider, age of children, geographic

1 area, level of national accreditation, varying child care costs for children
2 with special needs or other circumstances to meet the child care needs of
3 eligible families.

4 D. The department shall establish a sliding fee scale and formula for
5 determining child care assistance based on:

6 1. Income and earnings of the family.

7 2. Family size.

8 3. Number of children receiving child care assistance.

9 4. Child support to other minor dependent children of the parent
10 living outside the family unit.

11 5. INCOME AND EARNINGS OF A FAMILY MEMBER WHO IS AT LEAST EIGHTEEN
12 YEARS OF AGE AND WHO IS RESIDING IN THE HOME WITH A PARENT WHO IS RECEIVING
13 CHILD CARE ASSISTANCE, IF THE FAMILY MEMBER CLAIMS ANY MEMBER OF A FAMILY
14 UNIT APPLYING FOR ASSISTANCE AS A DEPENDENT ON A FEDERAL OR STATE INCOME TAX
15 RETURN.

16 6. INCOME AND EARNINGS OF A NONFAMILY MEMBER WHO IS AT LEAST EIGHTEEN
17 YEARS OF AGE AND WHO IS RESIDING IN THE HOME OF AND COHABITING WITH A PARENT
18 WHO IS RECEIVING CHILD CARE ASSISTANCE IF THE COHABITING NONFAMILY MEMBER
19 CLAIMS ANY MEMBER OF A FAMILY UNIT APPLYING FOR ASSISTANCE AS A DEPENDENT ON
20 A FEDERAL OR STATE INCOME TAX RETURN.

21 7. Other factors of a similar nature.

22 E. All child care providers shall remain in good standing with
23 licensing and certification laws and adopted rules.

24 Sec. 13. County acute care contribution; fiscal year 2005-2006

25 A. Notwithstanding section 11-292, Arizona Revised Statutes, as
26 amended by this act, for fiscal year 2005-2006 for the provision of
27 hospitalization and medical care, the counties shall contribute the following
28 amounts:

29	1. Apache	\$ 268,800
30	2. Cochise	2,214,800
31	3. Coconino	742,900
32	4. Gila	1,413,200
33	5. Graham	536,200
34	6. Greenlee	190,700
35	7. La Paz	212,100
36	8. Maricopa	31,959,200
37	9. Mohave	1,237,700
38	10. Navajo	310,800
39	11. Pima	14,951,800
40	12. Pinal	2,715,600
41	13. Santa Cruz	482,800
42	14. Yavapai	1,427,800
43	15. Yuma	1,325,100

1 B. If a county does not provide funding as specified in subsection A
2 of this section, the state treasurer shall subtract the amount owed by the
3 county to the Arizona health care cost containment system and long-term care
4 system funds established by section 36-2913, Arizona Revised Statutes, from
5 any payments required to be made by the state treasurer to that county
6 pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised
7 Statutes, plus interest on that amount pursuant to section 44-1201, Arizona
8 Revised Statutes, retroactive to the first day the funding was due. If the
9 monies the state treasurer withholds are insufficient to meet that county's
10 funding requirements as specified in subsection A of this section, the state
11 treasurer shall withhold from any other monies payable to that county from
12 whatever state funding source is available an amount necessary to fulfill
13 that county's requirement. The state treasurer shall not withhold
14 distributions from the highway user revenue fund pursuant to title 28,
15 chapter 18, article 2, Arizona Revised Statutes.

16 C. Payment of an amount equal to one-twelfth of the total amount
17 determined pursuant to subsection A of this section shall be made to the
18 state treasurer on or before the fifth day of each month. On request from
19 the director of the Arizona health care cost containment system
20 administration, the state treasurer shall require that up to three months'
21 payments be made in advance, if necessary.

22 D. The state treasurer shall deposit the amounts paid pursuant to
23 subsection C of this section and amounts withheld pursuant to subsection B of
24 this section in the Arizona health care cost containment system and long-term
25 care system funds established by section 36-2913, Arizona Revised Statutes.

26 E. If payments made pursuant to subsection C of this section exceed
27 the amount required to meet the costs incurred by the Arizona health care
28 cost containment system for the hospitalization and medical care of those
29 persons defined as an eligible person pursuant to section 36-2901, paragraph
30 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of
31 the Arizona health care cost containment system administration may instruct
32 the state treasurer either to reduce remaining payments to be paid pursuant
33 to this section by a specified amount or to provide to the counties specified
34 amounts from the Arizona health care cost containment system and long-term
35 care system funds.

36 F. It is the intent of the legislature that the Maricopa county
37 contribution pursuant to subsection A of this section shall be reduced in
38 each subsequent year according to the changes in the GDP price deflator. For
39 the purposes of this subsection, "GDP price deflator" has the same meaning
40 prescribed in section 41-563, Arizona Revised Statutes.

41 Sec. 14. Hospitalization and medical care contribution; fiscal
42 year 2005-2006

43 A. Notwithstanding any other law, for fiscal year 2005-2006, beginning
44 with the second monthly distribution of transaction privilege tax revenues,
45 the state treasurer shall withhold the following amounts from state

transaction privilege tax revenues otherwise distributable, after any amounts withheld for the county long-term care contribution or the county administration contribution pursuant to section 11-292, subsection P, Arizona Revised Statutes, as amended by this act, for deposit in the Arizona health care cost containment system fund established by section 36-2913, Arizona Revised Statutes, for the provision of hospitalization and medical care:

1. Apache	\$87,300
2. Cochise	\$162,700
3. Coconino	\$160,500
4. Gila	\$65,900
5. Graham	\$46,800
6. Greenlee	\$12,000
7. La Paz	\$24,900
8. Mohave	\$187,400
9. Navajo	\$122,800
10. Pima	\$1,115,900
11. Pinal	\$218,300
12. Santa Cruz	\$51,600
13. Yavapai	\$206,200
14. Yuma	\$183,900

B. If a county does not provide funding as specified in subsection A of this section, the state treasurer shall subtract the amount owed by the county to the Arizona health care cost containment system fund from any payments required to be made by the state treasurer to that county pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus interest on that amount pursuant to section 44-1201, Arizona Revised Statutes, retroactive to the first day the funding was due. If the monies the state treasurer withholds are insufficient to meet that county's funding requirement as specified in subsection A of this section, the state treasurer shall withhold from any other monies payable to that county from whatever state funding source is available an amount necessary to fulfill that county's requirement. The state treasurer shall not withhold distributions from the highway user revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.

C. Payment of an amount equal to one-twelfth of the total monies prescribed pursuant to subsection A of this section shall be made to the state treasurer on or before the fifth day of each month. On request from the director of the Arizona health care cost containment system administration, the state treasurer shall require that up to three months' payments be made in advance, if necessary.

D. The state treasurer shall deposit the monies paid pursuant to subsection C of this section in the Arizona health care cost containment system fund established by section 36-2913, Arizona Revised Statutes.

E. In fiscal year 2005-2006, the sum of \$2,646,200 withheld pursuant to subsection A or B of this section, as applicable, is allocated for the

1 county acute care contribution for the provision of hospitalization and
2 medical care services administered by the Arizona health care cost
3 containment system administration.

4 Sec. 15. Withholding state shared revenues; fiscal year
5 2005-2006

6 A. Based on the distribution of disproportionate share funding to
7 county operated hospitals made pursuant to section 36-2903.01, subsection P,
8 Arizona Revised Statutes, for fiscal year 2005-2006, the staff director of
9 the joint legislative budget committee shall compute amounts to be withheld
10 from transaction privilege tax revenues for counties with a population of at
11 least one million five hundred thousand persons pursuant to subsection B of
12 this section.

13 B. Notwithstanding section 42-5029, subsection D, paragraph 2, Arizona
14 Revised Statutes, beginning with the first monthly distribution of
15 transaction privilege tax revenues and at the direction of the governor, the
16 state treasurer shall withhold an amount totaling \$63,366,600 from state
17 transaction privilege tax revenues otherwise distributable, after any amounts
18 withheld for the county long-term care contribution for fiscal year 2005-2006
19 from counties with a population of at least one million five hundred thousand
20 persons. Amounts withheld from individual counties under this subsection
21 shall be determined pursuant to subsection A of this section.

22 C. In addition to the amount specified in subsection B of this
23 section, the state treasurer may also withhold transaction privilege tax
24 revenues in fiscal year 2006-2007 if amounts withheld pursuant to subsection
25 B of this section for fiscal year 2005-2006 are insufficient.

26 D. If changes in federal policies regarding the disproportionate share
27 funding to county operated hospitals reduces payment levels below the amount
28 specified in the fiscal year 2005-2006 general appropriations act, the
29 governor, after consultation with chairpersons of the house and senate
30 appropriations committees, may direct the state treasurer to suspend
31 withholdings of transaction privilege tax revenues specified in subsection B
32 of this section to accommodate the federal policy change.

33 Sec. 16. County expenditure limitations; disproportionate
34 share; fiscal year 2005-2006 adjustment formula

35 A. As a result of the transfer of funding for disproportionate share
36 health services, as provided in this act, from the counties to the state and
37 federal governments for fiscal year 1991-1992 through fiscal year 2005-2006
38 the economic estimates commission shall decrease the base limit of each
39 county in which the county hospital receives state and federal
40 disproportionate share payments in fiscal year 2005-2006 as follows:

41 1. Divide the amount of the state and federal disproportionate share
42 payments received by the county hospital in fiscal year 2005-2006 by the GDP
43 price deflator, as defined in section 41-563, Arizona Revised Statutes, for
44 the same fiscal year used to calculate expenditure limitations for fiscal

1 year 2005-2006 and multiply the resulting quotient by the GDP price deflator
2 determined for fiscal year 1979-1980.

3 2. Divide the amount determined in paragraph 1 for fiscal year
4 2005-2006 by the population of the county, as defined in article IX, section
5 20, subsection (3), paragraph (f), Constitution of Arizona, for the same
6 fiscal year used to calculate expenditure limitations for fiscal year
7 2005-2006 and multiply the resulting quotient by the population of the county
8 for fiscal year 1979-1980.

9 B. The economic estimates commission shall adjust the county
10 expenditure limitations for fiscal year 2005-2006 based on this section. The
11 calculation shall use the same base limit of \$161,290,737 for Maricopa county
12 for the purpose of determining the adjustment.

13 Sec. 17. County expenditure limitations: disproportionate
14 share: fiscal year 2006-2007

15 As a result of the elimination of the transfer of funding for
16 disproportionate share hospital services from the counties to the state and
17 federal governments beginning with fiscal year 2006-2007, the county
18 expenditure limitations shall be adjusted beginning with fiscal year
19 2006-2007. The economic estimates commission shall increase the base limit
20 of each county by the amount the base limit was decreased for fiscal year
21 2005-2006 pursuant to this act.

22 Sec. 18. Child care eligibility levels: report

23 Notwithstanding section 46-803, Arizona Revised Statutes, for fiscal
24 year 2005-2006, the department of economic security may reduce maximum income
25 eligibility levels for child care assistance in order to manage within
26 appropriated and available monies. The department shall notify the joint
27 legislative budget committee of any change in maximum income eligibility
28 levels for child care within fifteen days after implementing that change.

29 Sec. 19. Competency restoration treatment: city and county
30 reimbursement: fiscal year 2005-2006; deposit: tax
31 withholding

32 A. Notwithstanding section 13-4512, Arizona Revised Statutes, for
33 cities and counties, if the state pays the costs of a defendant's inpatient
34 competency restoration treatment pursuant to section 13-4512, Arizona Revised
35 Statutes, the city or county shall reimburse the department of health
36 services for eighty-six per cent of these costs for fiscal year 2005-2006
37 except for those counties with populations of less than eight hundred
38 thousand persons who shall pay fifty per cent of these costs for fiscal year
39 2005-2006. The department shall deposit the monies, pursuant to sections
40 35-146 and 35-147, Arizona Revised Statutes, in the Arizona state hospital
41 fund established by section 36-545.08, Arizona Revised Statutes.

42 B. Each city and county shall make the reimbursements for these costs
43 as specified in subsection A of this section within thirty days after a
44 request by the department. If the city or county does not make the
45 reimbursement, the superintendent of the Arizona state hospital shall notify

1 the state treasurer of the amount owed and the treasurer shall withhold the
2 amount, including any additional interest as provided in section 42-1123,
3 Arizona Revised Statutes, from any transaction privilege tax distributions to
4 the city or county. The treasurer shall deposit the withholdings, pursuant
5 to sections 35-146 and 35-147, Arizona Revised Statutes, in the Arizona state
6 hospital fund established by section 36-545.08, Arizona Revised Statutes.

7 Sec. 20. Suicide prevention program; suspension

8 Notwithstanding section 36-3415, Arizona Revised Statutes, the
9 department of health services shall not operate a suicide prevention program
10 in fiscal year 2005-2006 unless new federal monies that do not require state
11 matching monies are received for the operation of the program.

12 Sec. 21. Children's health insurance program; parents
13 eligibility; fiscal year 2005-2006

14 A. Notwithstanding any other law, for fiscal year 2005-2006, a parent
15 of a child who is eligible for or enrolled in the children's health insurance
16 program or a parent who has a child enrolled under title 36, chapter 29,
17 article 1, Arizona Revised Statutes, but who would be eligible for the
18 children's health insurance program is eligible for the children's health
19 insurance program as defined in title 36, chapter 29, article 4, Arizona
20 Revised Statutes, and may apply for eligibility based on an income that does
21 not exceed two hundred per cent of the federal poverty level.

22 B. In determining eligibility pursuant to subsection A of this
23 section, the administration shall apply other eligibility requirements
24 pursuant to sections 36-2981 and 36-2983, Arizona Revised Statutes, and to
25 rules adopted by the administration. If the parent is determined eligible
26 pursuant to this section, all other requirements established by the
27 administration by rule, including premium payment requirements and available
28 services, in title 36, chapter 29, article 4, Arizona Revised Statutes,
29 apply.

30 Sec. 22. ALTCS: county contributions

31 Notwithstanding section 11-292, Arizona Revised Statutes, as amended by
32 this act, county contributions for the Arizona long-term care system for
33 fiscal year 2005-2006 are as follows:

- 34 1. Apache, \$526,300.
- 35 2. Cochise, \$5,774,700.
- 36 3. Coconino, \$1,579,000.
- 37 4. Gila, \$3,044,000.
- 38 5. Graham, \$963,300.
- 39 6. Greenlee, \$126,600.
- 40 7. La Paz, \$792,500.
- 41 8. Maricopa, \$130,003,100.
- 42 9. Mohave, \$7,328,700.
- 43 10. Navajo, \$2,177,000.
- 44 11. Pima, \$41,127,000.
- 45 12. Pinal, \$9,676,600.

13. Santa Cruz, \$2,098,800.

14. Yavapai, \$7,464,200.

15. Yuma, \$6,056,300.

Sec. 23. Arizona state hospital; private operation

A. Notwithstanding any law to the contrary, pursuant to requests for proposals, the department of health services may enter into a five year contract with a private entity to administer the Arizona state hospital and deliver client services. The contract shall allow the department to renew the contract for two subsequent renewal periods of not more than five years each and shall prescribe the circumstances under which the department may terminate the contract before the end of a five year period. The department may issue separate requests for proposals for criminal, civil, juvenile and adult population categories in the state hospital.

B. The contract shall include the following requirements:

1. The contractor must successfully attain performance goals prescribed by the department and the joint legislative budget committee relating to improvement of the state hospital's administration and delivery of client services.

2. The contractor shall not use subcontractors or subsidiaries to deliver services prescribed in the contract.

C. To be considered for an award of a contract, the contractor must demonstrate that it has:

1. The qualifications, operations and management experience and experienced personnel necessary to carry out the terms of the contract.

2. The ability to comply with applicable standards and any specific court order, if required.

3. A demonstrated history of successful operation and management of secure behavioral health facilities.

4. A demonstrated history of successful delivery of behavioral health services.

D. The contractor must agree:

1. That this state may cancel the contract at any time after the first year of operation, without penalty to this state, on ninety days' written notice.

2. To be in compliance at all times with all corrective action plans that are in effect at the time the contract is entered into or that are subsequently entered into by this state and the center for medicare and medicaid services.

3. To comply with all medicare certification requirements.

E. A contract may provide for annual contract price or cost adjustments, except that any adjustments may be made only once each year effective on the anniversary of the effective date of the contract. If any adjustment is made pursuant to the terms of the contract, it must be applied to the total payments made to the contractor for the previous contract year and shall not exceed the per cent of change in the average consumer price

1 index as published by the United States department of labor, bureau of labor
2 statistics between that figure for the latest calendar year and the next
3 previous calendar year. Any price or cost adjustments different than those
4 authorized in this subsection may be made only if the legislature
5 specifically authorizes the adjustments and appropriates monies for that
6 purpose, if required.

7 F. The department shall not award a contract unless:

8 1. It receives an acceptable proposal pursuant to any request for
9 proposals. For the purposes of this paragraph, "acceptable proposal" means a
10 proposal that substantially meets all of the requirements or conditions
11 prescribed in this section and that meets all of the requirements in the
12 request for proposals.

13 2. The proposal offers cost savings to this state based on the
14 standard cost comparison model approved by the joint legislative budget
15 committee.

16 3. The proposal offers a level and quality of services that equal or
17 exceed those that would be provided by this state.

18 4. The contractor provides audited financial statements for the
19 previous five years, or for each of the years the contractor has been in
20 operation, if fewer than five years, and provides other financial information
21 as requested.

22 5. The contractor provides an adequate plan of insurance, specifically
23 including coverage or insurance for civil rights claims and liabilities as
24 approved by the risk management division of the department of administration.

25 6. The contractor agrees to be liable for the costs of any emergency,
26 public safety or security services provided to the contractor by this state
27 or any political subdivision of this state and to reimburse this state or any
28 political subdivision of this state for the cost of those services.

29 G. The sovereign immunity of this state does not apply to the
30 contractor. Neither the contractor nor the insurer of the contractor may
31 plead the defense of sovereign immunity in any action arising out of the
32 performance of the contract.

33 H. The contract terms are subject to prior review by the joint
34 legislative budget committee before placement of any advertisement that
35 solicits a response to a request for proposals. Any proposed modification or
36 amendment to the contract is subject to prior review by the joint legislative
37 budget committee.

38 I. During its first year of operation, the contracting entity shall
39 submit monthly reports to the department and the joint legislative budget
40 committee as prescribed by the department. Thereafter, the contracting
41 entity shall submit quarterly reports to the department and the joint
42 legislative budget committee as prescribed by the department.

43 J. At the end of the fourth year of the contract, an independent
44 evaluator selected by the department shall conduct and complete a performance
45 review to determine if the contracting entity has met the goals specified in

1 the contract. The independent evaluator shall submit a report of its
2 findings to the governor, the president of the senate, the speaker of the
3 house of representatives and the joint legislative budget committee on or
4 before May 1, 2010 and shall provide a copy of its report to the secretary of
5 state and the director of the Arizona state library, archives and public
6 records.

7 K. The department shall make a good faith attempt to place all state
8 hospital personnel who are under the state personnel system on the effective
9 date of the contract entered into pursuant to this section and who are not
10 offered continued employment by the contracting entity.

11 L. All appropriated monies that remain unexpended and unencumbered on
12 the effective date of the contract entered into pursuant to this section
13 revert to the state general fund.

14 M. The department of health services shall report to the joint
15 legislative budget committee by July 1, 2006 on whether the department
16 intends to privatize the state hospital. If the department intends to
17 privatize the state hospital, the report shall contain a time frame for
18 issuing a request for proposals. If the department decides against
19 privatizing the state hospital, the report shall include the department's
20 rationale for not doing so.

21 Sec. 24. Auditor general review; healthcare group

22 By March 1, 2006, the auditor general shall conduct a special audit as
23 defined in section 41-1278, Arizona Revised Statutes, of the healthcare group
24 program administered by the Arizona health care cost containment system. The
25 audit shall include an examination of the administrative costs of the
26 program, whether the program's financial reserves are adequate compared to
27 what private health insurance providers are required to maintain and whether
28 provisions requiring employer groups to be without health insurance for one
29 hundred eighty days before enrollment in healthcare group are being
30 enforced. The auditor general shall submit copies of the audits to the
31 governor, the president of the senate, the speaker of the house of
32 representatives, the secretary of state and the director of the Arizona state
33 library, archives and public records.

34 Sec. 25. AHCCCS; report on outlier reimbursement

35 By November 15, 2005, the Arizona health care cost containment system
36 shall report to the joint legislative budget committee on the methodology
37 used to reimburse hospitals for outlier inpatient costs pursuant to section
38 36-2903.01, subsection H, paragraph 10, Arizona Revised Statutes, the total
39 reimbursements made in fiscal year 2004-2005 pursuant to that section by
40 county and by health care facility or provider, or both, information
41 detailing the lengths of stay and the types of services reimbursed pursuant
42 to that section and the portion of total inpatient reimbursements that
43 qualify as outliers. The report shall also examine whether any services are
44 being reimbursed pursuant to section 36-2903.01, subsection H, paragraph 10,

1 Arizona Revised Statutes, that were not originally intended to qualify as
2 outliers.

3 Sec. 26. Child care eligibility; assistance; applicability;
4 legislative intent

5 It is the intent of the legislature that the eligibility changes in
6 sections 46-803 and 46-805, Arizona Revised Statutes, as amended by this act,
7 be applied prospectively on the effective date of this act. Clients
8 currently receiving assistance shall not be exempt from the eligibility
9 changes but shall have them applied starting on the effective date of this
10 act.

11 Sec. 27. Acute care; redetermination; selected population;
12 report

13 A. Notwithstanding any other law, for fiscal year 2005-2006, the
14 Arizona health care cost containment system administration shall determine
15 continued eligibility for acute care services every six months for any adult
16 who is at least twenty-one years of age and who is being redetermined for
17 temporary assistance for needy families cash benefits in the department of
18 economic security.

19 B. Acute care redeterminations pursuant to subsection A shall start on
20 the effective date of this act and shall occur simultaneously with
21 redetermination for temporary assistance for needy families cash benefits.

22 C. The administration shall report to the president of the senate, the
23 speaker of the house of representatives and the joint legislative budget
24 committee by February 10, 2006 on the effects through January of changing the
25 redetermination period for the population described in subsection A. The
26 report shall include the number of redetermination letters sent out, the
27 number of redetermination interviews conducted and the number of
28 redetermination interviews resulting in continued acute care benefits.

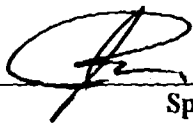
APPROVED BY THE GOVERNOR MAY 20, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2005.

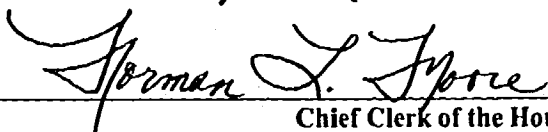
Passed the House May 6, 20 05,

by the following vote: 44 Ayes,

12 Nays, 4 Not Voting



Speaker of the House

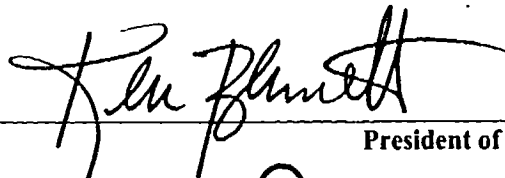


Chief Clerk of the House

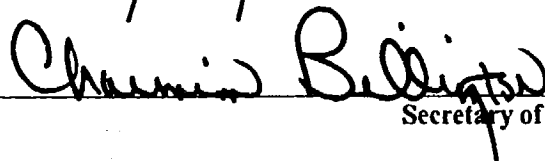
Passed the Senate May 5, 20 05,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of May, 20 05

at 8:38 o'clock A. M.

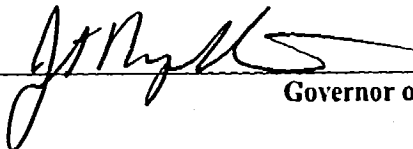


Secretary to the Governor

Approved this 20 day of

May, 20 05,

at 9:15 o'clock A. M.



Governor of Arizona

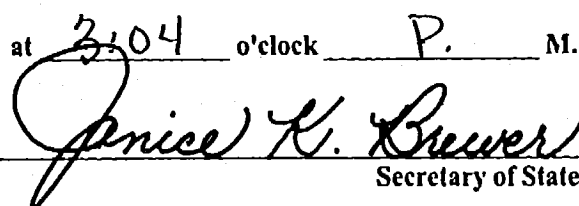
S.B. 1515

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 20 day of May, 20 05

at 3:04 o'clock P. M.



Secretary of State